

### REVENUE BUDGET MONITORING REPORT 2022/23 - QUARTER 1

#### STATEMENT FROM THE OVERVIEW AND SCRUTINY MANAGEMENT BOARD

At its meeting on 25 August 2022, the Overview and Scrutiny Management Board considered the report and agreed to support the recommendation to the Executive.

Whilst the report focuses on the period up to 30 June 2022, the Board has explored several issues which would impact on the Council's revenue budget in the coming year and future years. The following represents the key points from the discussion.

- (1) Local Government Pay Award – Local government employers has offered a pay award which averages six per cent, an increase of four per cent on the provision in the Council's budget.
- (2) Gas and Electricity Costs – Contracts for gas and electricity are due to expire in the coming year, and respective increases of 200 per cent and 100 per cent are anticipated.
- (3) Other Cost Pressures – These include the cost of contracted services, where payments to contractors are often linked to the retail price index.
- (4) Central Government Response – A response from central government is expected to the budgetary pressures affecting local government, for both the coming and future years. Local government leaders are continuing to lobby central government on the need to support local government.
- (5) Mitigations – The 2022/23 contingency budget is expected to cover the impact of the pay offer to staff, and largely cover the increased costs of gas and electricity. The Council also has a volatility reserve as a means of mitigating other pressures in the current year.
- (6) Future Years - The budget process for 2023/24 will need to take account of the current budget pressures in the base budget, such as increased staffing costs, as well as future pressures.

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